

# Forrest Gump

## and the Utah Economy

Utah's stellar employment growth of the past three-plus years was somewhat reminiscent of Forrest Gump, who, in a segment of that movie, set out running across the United States. He just ran and ran, and there was no stopping him. Then, one day (in Utah ironically, if you remember seeing Monument Valley in the background), Forrest just decided that he had run enough, and he just stopped. So it seems the Utah economy might do the same.

Now I'm not talking about the economy shutting down to zero growth, which would be a literal mimic of

Forrest Gump. Instead, I'm talking about the high-flying, way-out-in-front-of-all-the-other-states economic performance finally coming to an end. Utah actually still leads the nation in employment growth percentage, and will stay at or near that for 2008, but the huge gap between our performance and the rest of the nation will diminish. We'll go back to them, they won't rise up to us.

It was easy to see that a slowdown would come—they always do. But I'll be doggoned if it didn't last at least a whole year longer than I thought it would or could. I anticipated when Utah's unemployment rate plunged into the mid 2-percent range in the middle of 2006, that would be the slowdown point. How can we keep this employment growth going when we are running out of workers? (that's largely what a 2.5 percent unemployment rate implies) But the employment growth kept going. Like Forrest Gump, it just kept running and running, right on into 2007.

But that vigorous pace is slowing, largely as a result of the subprime mortgage situation shutting down the housing lending stream. Construction employment growth is noticeably slowing and will continue to do so throughout 2008. That industry was the running shoes of Utah's economic jog, but the tread on those shoes is getting worn down. ①

